



UNI-ASIA HOLDINGS LIMITED

Registration No: CR - 72229

(Incorporated in the Cayman Islands with limited liability on 17 March 1997)

FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2014

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FIRST QUARTER RESULTS

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended 31 March			Remarks
	2014 US\$'000	2013 US\$'000	% Change	
Fee income	5,844	7,074	(17%)	See Note 8.
Hotel income	8,398	11,587	(28%)	
Investment returns	1,699	1,183	44%	See Note 8.
Interest income	232	276	(16%)	
Other income	176	131	34%	
Total income	16,349	20,251	(19%)	
Employee benefits expenses	(3,476)	(3,970)	(12%)	
Amortisation and depreciation	(1,372)	(975)	41%	
Vessel operating expenses	(1,912)	(1,381)	38%	
Hotel lease expenses	(2,977)	(3,741)	(20%)	
Hotel operating expenses	(3,665)	(5,124)	(28%)	
Other expenses	(1,141)	(1,091)	5%	
Impairment of property, plant and equipment	-	(500)	(100%)	
Write-back of provision of onerous contracts	-	78	(100%)	
Net foreign exchange loss	(37)	(87)	(57%)	
Total operating expenses	(14,580)	(16,791)	(13%)	
Operating profit	1,769	3,460	(49%)	
Finance costs – interest expense	(548)	(509)	8%	
Finance costs – others	(61)	(89)	(31%)	
Allocation to Tokumei Kumiai* investors	54	(84)	164%	
Profit before tax	1,214	2,778	(56%)	
Income tax expense	(22)	(42)	(48%)	
Profit for the period	1,192	2,736	(56%)	
Attributable to:				
Owners of the parent	1,224	2,684	(54%)	
Non-controlling interests	(32)	52	(162%)	
	1,192	2,736	(56%)	

* Tokumei Kumiai ("TK") refers to a form of silent partnership structure used in Japan. Allocation to TK investors refers to share of profit and loss attributable to other TK investors of the TK structure.

	3 months ended 31 March		
	2014 US\$'000	2013 US\$'000	% Change
Profit for the period	1,192	2,736	(56%)
Other comprehensive (expense)/ income for the period, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(50)	(451)	89%
Net movement on cash flow hedges	33	(1,132)	103%
Other comprehensive expense for the period, net of tax	(17)	(1,583)	99%
Total comprehensive income for the period	1,175	1,153	2%
Attributable to:			
Owners of the parent	1,210	1,103	10%
Non-controlling interests	(35)	50	(170%)
	1,175	1,153	2%

N/M: Not meaningful

1 (b) (i) A statement of financial position for the group and the issuer, together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 March 2014 US\$'000	31 December 2013 US\$'000	31 March 2014 US\$'000	31 December 2013 US\$'000
ASSETS				
Non-current assets				
Investment properties	11,132	10,109	-	-
Intangible assets	73	74	-	-
Property, plant and equipment	111,151	111,923	35	42
Loans receivable	8,787	8,811	5,787	5,811
Loans to subsidiaries	-	-	5,385	5,310
Investments	32,650	31,199	25,872	25,137
Investments in subsidiaries	-	-	53,836	48,766
Rental deposit	1,640	1,610	-	-
Derivative financial instruments	328	230	110	102
Deferred tax assets	46	27	-	-
Deposits for purchase of vessels	11,603	6,895	-	-
Total non-current assets	177,410	170,878	91,025	85,168
Current assets				
Investments	2,535	2,546	-	-
Loans receivable	3,742	2,100	1,100	1,100
Loans to subsidiaries	-	-	6,194	5,524
Derivative financial instruments	12	27	12	27
Due from Tokumei Kumiai investors	22	-	-	-
Accounts receivable	3,000	3,135	379	94
Amounts due from subsidiaries	-	-	2,409	373
Prepayments, deposits and other receivables	2,547	2,496	413	381
Tax recoverable	212	21	-	-
Deposits pledged as collateral	10,733	7,378	10,733	7,378
Cash and bank balances	39,372	47,566	19,825	30,215
Total current assets	62,175	65,269	41,065	45,092
Total assets	239,585	236,147	132,090	130,260

	Group		Company	
	31 March 2014 US\$'000	31 December 2013 US\$'000	31 March 2014 US\$'000	31 December 2013 US\$'000
EQUITY				
Equity attributable to owners of the parent				
Share capital	75,167	75,167	75,167	75,167
Share premium	31,319	31,319	31,319	31,319
Retained earnings	31,745	30,521	11,042	11,589
Hedging reserve	56	23	(29)	(30)
Exchange reserve	2,744	2,791	-	-
Capital reserve	(117)	(117)	-	-
Total equity attributable to owners of the parent	140,914	139,704	117,499	118,045
Non-controlling interests	725	509	-	-
Total equity	141,639	140,213	117,499	118,045
LIABILITIES				
Non-current liabilities				
Borrowings	64,336	62,734	3,885	3,810
Finance lease obligations	4	6	-	-
Due to Tokumei Kumiai investors	692	687	-	-
Derivative financial instruments	33	47	138	132
Other payables	31	30	-	-
Total non-current liabilities	65,096	63,504	4,023	3,942
Current liabilities				
Borrowings	24,640	23,379	9,258	6,262
Finance lease obligations	8	8	-	-
Due to Tokumei Kumiai investors	-	519	-	-
Accounts payable	2,519	2,462	2	-
Amounts due to subsidiaries	-	-	304	198
Other payables and accruals	5,247	5,648	993	1,788
Derivative financial instruments	395	324	11	25
Income tax payable	41	90	-	-
Total current liabilities	32,850	32,430	10,568	8,273
Total liabilities	97,946	95,934	14,591	12,215
Total equity and liabilities	239,585	236,147	132,090	130,260

NOTES:-

The Group's non-current assets increased by 3.8% from \$170.9 million on 31 December 2013 to \$177.4 million on 31 March 2014 due mainly to increase in schedule payment for ships under construction (under "Deposits for purchase of vessels") and investments fair value gain. Meanwhile current assets reduced from \$65.3 million on 31 December 2013 to \$62.2 million on 31 March 2014 mainly due to reduction in cash offset by increase in short term loan investments.

Total liabilities increased to \$97.9 million on 31 March 2014 from \$95.9 million on 31 December 2013 due mainly to increase in borrowings for small residential property investments and ship related investments.

1 (b) (ii) **Aggregate amount of group’s borrowings and debt securities.**

	As at 31 March 2014		As at 31 December 2013	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, or on demand	24,329	311	23,073	306
Amount repayable after one year	58,850	5,486	58,134	4,600
Total	83,179	5,797	81,207	4,906

Details of any collateral

The Group’s borrowings are secured by means of:

- legal mortgages over certain cash deposits of the holding company
- legal mortgages over investment properties of the subsidiaries
- legal mortgages over vessels of the subsidiaries
- a legal mortgage over a freehold property under the category of “Property, plant and equipment” of a subsidiary

1 (c) A statement of cash flows for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	3 months ended 31 March	
		2014 US\$'000	2013 US\$'000
Cash flows from operating activities			
Profit before tax		1,214	2,778
Adjustments for:			
Investment returns		(1,699)	(1,183)
Amortisation and depreciation		1,372	975
Loss on disposal of property, plant and equipment		3	-
Impairment of property, plant and equipment		-	500
Write-back of provision of onerous contracts		-	(78)
Net foreign exchange loss		37	87
Interest income		(232)	(276)
Finance costs – interest expense		548	509
Finance costs – others		61	89
Allocation to Tokumei Kumiai investors		(54)	84
Operating cash flows before changes in working capital		1,250	3,485
Changes in working capital:			
Net change in accounts receivable		(393)	(1,909)
Net change in prepayments, deposits and other receivables		(20)	(147)
Net change in accounts payable		24	(267)
Net change in other payables and accruals		(580)	(239)
Cash flows generated from operations		281	923
Interest received on bank balances		19	36
Tax paid		(282)	(147)
Net cash flows generated from operating activities	[A]	18	812

	Note	3 months ended 31 March	
		2014 US\$'000	2013 US\$'000
Cash flows from investing activities			
Purchase of investment properties		(1,194)	-
Purchase of investments		(1,009)	(665)
Proceeds from sale of investments		565	5
Deposits paid for purchase of vessels		(4,707)	(3,152)
Purchase of property, plant and equipment		(314)	(92)
Redemption of Tokumei Kumiai investors		(505)	-
Loans advanced		(3,076)	(1,014)
Loans repaid		1,554	364
Interest received from loans		251	203
Net (increase)/ decrease in deposits pledged as collateral		(3,355)	1,015
Proceeds from investments		1,125	150
Settlement of derivative financial instruments		87	1,723
Proceeds from property rental		90	108
Net cash flows used in investing activities	[B]	(10,488)	(1,355)
Cash flows from financing activities			
New borrowings		4,655	1,621
Repayment of borrowings		(1,935)	(1,729)
Interest paid on borrowings		(551)	(498)
Other finance cost paid		(37)	(14)
Payment of lease obligation		(2)	(2)
Contribution from non-controlling interest		5	-
Payment to non-controlling interest		(54)	-
Net cash flows generated from/ (used in) financing activities	[C]	2,081	(622)
Net decrease in cash and cash equivalents		(8,389)	(1,165)
Movements in cash and cash equivalents:			
Cash and cash equivalents at beginning of the period		47,566	43,266
Net decrease in cash and cash equivalents		(8,389)	(1,165)
Effects of foreign exchange rate changes, net		195	(704)
Cash and cash equivalents at end of the period		39,372	41,397

NOTES:

The Group's cash and cash equivalents decreased by \$8.4 million in 1Q2014 due mainly to the followings:

- [A] Cash flows generated from operating activities amounted to \$0.02 million for 1Q2014 compared to \$0.8 million in 1Q2013. Lower ad hoc finance arrangement fees coupled with lower asset management fee income from subsidiary, Uni-Asia Capital (Japan) Ltd, resulted in lower operating cash flow for 1Q2014 compared to 1Q2013.
- [B] Cash flows used in investing activities were \$10.5 million for 1Q2014 due to ship and property investments made in 1Q2014 as well as increase in deposits pledged as collateral to banks to secure financing for the investments.
- [C] Cash flows generated from financing activities were \$2.1 million in 1Q2014 due mainly to new borrowings in 1Q2014 to finance the aforementioned investments offset by scheduled borrowings repayments.

1 (d) (i) A statement for the group and the issuer showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital US\$'000	Share premium US\$'000	Retained earnings US\$'000	Fair value reserve US\$'000	Hedging reserve US\$'000	Exchange reserve US\$'000	Capital reserve US\$'000	Total equity attributable to owners of the parent US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2013	75,167	31,319	26,965	9	1,050	3,936	(126)	138,320	234	138,554
Profit for the period	-	-	2,684	-	-	-	-	2,684	52	2,736
Other comprehensive expense	-	-	-	-	(1,132)	(449)	-	(1,581)	(2)	(1,583)
Total comprehensive income/ (expense)	-	-	2,684	-	(1,132)	(449)	-	1,103	50	1,153
Capital reserve	-	-	-	(9)	-	-	9	-	-	-
Payment to non-controlling interest	-	-	-	-	-	-	-	-	(54)	(54)
At 31 March 2013	75,167	31,319	29,649	-	(82)	3,487	(117)	139,423	230	139,653
At 1 January 2014	75,167	31,319	30,521	-	23	2,791	(117)	139,704	509	140,213
Profit/ (loss) for the period	-	-	1,224	-	-	-	-	1,224	(32)	1,192
Other comprehensive income/ (expense)	-	-	-	-	33	(47)	-	(14)	(3)	(17)
Total comprehensive income/ (expense)	-	-	1,224	-	33	(47)	-	1,210	(35)	1,175
Fair value reserve	-	-	-	-	-	-	-	-	300	300
Contribution from non-controlling interest	-	-	-	-	-	-	-	-	5	5
Payment to non-controlling interest	-	-	-	-	-	-	-	-	(54)	(54)
At 31 March 2014	75,167	31,319	31,745	-	56	2,744	(117)	140,914	725	141,639

Company	Share capital US\$'000	Share premium US\$'000	Retained earnings US\$'000	Fair value reserve US\$'000	Hedging reserve US\$'000	Exchange reserve US\$'000	Capital reserve US\$'000	Total equity attributable to owners of the parent US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2013	75,167	31,319	16,133	-	-	-	-	122,619	-	122,619
Profit for the period	-	-	694	-	-	-	-	694	-	694
Other comprehensive expense	-	-	-	-	(44)	-	-	(44)	-	(44)
Total comprehensive income/ (expense)	-	-	694	-	(44)	-	-	650	-	650
At 31 March 2013	75,167	31,319	16,827	-	(44)	-	-	123,269	-	123,269
At 1 January 2014	75,167	31,319	11,589	-	(30)	-	-	118,045	-	118,045
Loss for the period	-	-	(547)	-	-	-	-	(547)	-	(547)
Other comprehensive income	-	-	-	-	1	-	-	1	-	1
Total comprehensive (expense)/ income	-	-	(547)	-	1	-	-	(546)	-	(546)
At 31 March 2014	75,167	31,319	11,042	-	(29)	-	-	117,499	-	117,499

- 1 (d) (ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the period ended 31 March 2014, there was no change in share capital.

The Company did not have any convertibles or treasury shares as at 31 March 2014, 31 December 2013 and 31 March 2013.

- 1 (d) (iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31 March 2014	As at 31 December 2013
Total number of issued shares	469,792,800	469,792,800

- 1 (d) (iv) **A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4 **Whether the same accounting policies and method of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and method of computation in the financial statements for the current financial period as compared with the audited financial statements for the financial year ended 31 December 2013.

- 5 **If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.**

The Group has adopted the same accounting policies and method of computation in the financial statements for the current financial period as compared with the audited financial statements for the financial year ended 31 December 2013. The adoptions of the other new or revised IFRSs do not have a significant impact on the Group's results of operations and financial position.

- 6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	3 months ended 31 March	
	2014	2013
Profit attributable to owners of the parent (US\$'000)	1,224	2,684
Weighted average number of ordinary shares in issue ('000)	469,793	469,793
Earnings per share (US cents per share) - basic and diluted	0.26	0.57

- 7 **Net asset value for the group per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	31 March 2014	31 December 2013
Net asset value per ordinary share based on issued share capital at the end of (in US\$)	0.30	0.30

- 8 **A review of the group performance, to the extent necessary for a reasonable understanding of the group's business. It must include discussion of any significant factors that affected the turnover, costs, and earnings for the current financial period report on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the group during current financial period reported on:**

Review of Income Statement

Total Income

Total income of the Group was \$16.3 million for 1Q2014, a 19% decline from 1Q2013. Changes in major components of total income, including fee income, hotel income and investment returns are explained below.

- (i) Fee Income

Breakdown of Fee Income:	3 months ended 31 March		
	2014 US\$'000	2013 US\$'000	% Change
Charter income	4,626	3,462	34%
Asset management & administration fee	585	889	(34%)
Arrangement and agency fee	528	2,602	(80%)
Brokerage commission	105	121	(13%)
	5,844	7,074	(17%)

Charter income increased 34% from \$3.5 million in 1Q2013 to \$4.6 million in 1Q2014 due to an additional ship delivered in 2Q2013 contributing to the Group's charter income. The increase is in line with the Group's strategy to build up recurring charter income.

In FY2013, the Group's Japan property asset management subsidiary, Uni-Asia Capital (Japan) Limited ("UACJ") disposed of the bulk of assets under management. This resulted in a reduction

in UACJ's contribution to the Group's asset management fees. The Group recorded \$0.6 million asset management and administration fee for 1Q2014 compared to \$0.9 for 1Q2013.

The Group recorded \$0.5 million arrangement and agency fee in 1Q2014 as compared to \$2.6 million in 1Q2013. In 1Q2014, the Group closed finance arrangement deal with fees of smaller magnitude compared to the exceptional deals closed in late 2012 and early 2013 which boosted arrangement and agency fee in 1Q2013. Hence, a lower arrangement and agency fee was posted for 1Q2014.

Due to the aforementioned factors, the Group's total fee income was \$5.8 million for 1Q2014 compared to \$7.1 million for 1Q2013.

(ii) Hotel Income

Hotel income reduced 28% to \$8.4 million from \$11.6 million as the Group now operates 9 hotels compared in 1Q2014 to 11 hotels in 1Q2013.

(iii) Investment Returns

While 1Q2014 posted lower fee and hotel income, investment returns increased 44% from \$1.2 million in 1Q2013 to \$1.7 million in 1Q2014. This was due mainly to a realised receipt of \$1.2 million investment returns from a distressed debt investment. There were no significant fair value adjustments for 1Q2014.

Breakdown of Investment Returns:	3 months ended 31 March		
	2014 US\$'000	2013 US\$'000	% Change
Interest on bond	3	-	N/M
Realised gain/ (loss) on investments			
- shipping	44	44	0%
- hotel and residential	(4)	109	(104%)
- distressed debt	1,206	-	N/M
- others	(130)	-	N/M
Property rental income	90	87	3%
Fair value adjustment on investments			
- shipping	311	(690)	145%
- hotel and residential	26	61	(57%)
- office property/ small residential property developments	283	(149)	290%
Fair value adjustment on performance notes			
- shipping	(195)	65	(400%)
- distressed debt	-	(2)	100%
Fair value adjustment on listed shares – others	(15)	(93)	84%
Net gain on derivative financial instruments	80	1,751	(95%)
	1,699	1,183	44%

Total Operating Expenses

Total operating expenses for the Group declined 13% from \$16.8 million in 1Q2013 to \$14.6 million in 1Q2014. Employee benefit expenses, hotel lease expenses and hotel operating expenses reduced by 12%, 20% and 28% respectively mainly due to reduced number of hotels under operations.

Operating Profit

While operating expenses declined by 13% for 1Q2014, total income declined 19%. Accordingly, the Group posted an operating profit of \$1.8 million for 1Q2014 compared to \$3.5 million for 1Q2013.

Net Profit After Tax

Finance costs remained fairly stable in 1Q2014 vis-à-vis 1Q2013.

The Group posted a net profit of \$1.2 million for 1Q2014 compared to \$2.7 million for 1Q2013.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, and variance between it and the actual results.

Not applicable. The Group has not provided a forecast.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operated and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Mr Kazuhiko Yoshida retired as Chairman and Chief Executive Officer (“CEO”) of the Group and Mr Michio Tanamoto was appointed Chairman and CEO with effect from 30 April 2014 as part of the Group’s succession plan. The Group is not expected to change its strategic focus on building a stable recurrent income base while looking for suitable capital returns opportunities so as to ride short term business cycles to deliver long term shareholders’ returns.

Following the ship acquisitions and property disposals in 2013, the Group will continue to look for suitable opportunities to build its property portfolio and to establish new shipping fund and/or ship joint venture investments.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/ recommended, a statement to that effect.

No dividend has been declared/ recommended by the Directors for the first quarter ended 31 March 2014.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate for IPTs from the Group’s shareholders.

BY THE ORDER OF THE BOARD

Michio Tanamoto
Chairman and CEO
14 May 2014

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 31 March 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors



Michio Tanamoto
Chairman and CEO

Date: 14 May 2014



Masaki Fukumori
COO